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EDITORIAL *On Bay Preservation*

A risky development

When DMB Associates, a developer from Scottsdale, Ariz., began talking to the city of Redwood City about building an enormous housing project on a sprawl of salt ponds near Highway 101, company officials were told that they had to find their own water solution.

"One of the first things we learned from Redwood City was that they're already upside-down on water," said DMB Associates Vice President David Smith.

So DMB put together a complex water transfer with a family from Bakersfield to buy enough water for their development — and, if needs be, to kick back a little water to Redwood City in tough times. The water agreement is precedent-setting, just like the development itself. But both of the precedents being set here are

the wrong ones.

DMB struck a deal with Nickel Family LLC, a Bakersfield agriculture company that's made a fortune by marketing its water rights to developers in the Bakersfield area. For an undisclosed sum (that probably ran into the tens of millions of dollars), DMB will have 8,393 acre-feet of guaranteed water from the family — about 2.7 billion gallons, for as long as 70 years.

Because there's no way to move that water from Bakersfield up to

Redwood City, the water exists only on paper. The Nickel family is supposed to now receive 8,393 acre-feet less water, while a water agency up north is supposed to increase its share from the Sacramento-San Joaquin River Delta. Then, the San Francisco Public Utilities Commission would move the extra water to Redwood City.

Confused yet? So are a number of observers in the Bay Area, who see everything about this water deal — and about this development — as something that California needs to avoid.

In a letter to Redwood City's mayor, Jeff Ira, state Assemblyman Jared Huffman, D-San Rafael, called the transfer "legally suspect" and added, "The idea that there is a sub-

stantial amount of water in Kern County that is unneeded and available for sale without redirected impacts is fanciful. In reality, California's future water reliability and the Delta ecosystem will require fewer diversions of water from the Central Valley, not more."

In reality, California's future sea levels also make the location of DMB's development unacceptable. The idea of building 12,000 new homes on potentially restorable salt ponds right at the bay's edge isn't just irresponsible, it flies in the face of California's climate change policies.

DMB says that the development will be encircled by levees built to withstand up to 55 inches of sea level rise. But levees fail, and when they do, taxpayers are left to pay for the mess. This region already has more than enough homes and businesses imperiled by rising sea levels.

There's no good reason for Redwood City to continue entertaining a project so fraught with environmental and fiscal risk.